

REFERENCE TITLE: legislator financial statements; web posting

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
Second Regular Session  
2008

# HB 2698

Introduced by  
Representative Lujan

AN ACT

AMENDING SECTION 38-542, ARIZONA REVISED STATUTES; RELATING TO THE FINANCIAL  
STATEMENTS OF MEMBERS OF THE LEGISLATURE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 38-542, Arizona Revised Statutes, is amended to  
3 read:

4 38-542. Duty to file financial disclosure statement: contents:  
5 exceptions

6 A. In addition to other statements and reports required by law, every  
7 public officer, as a matter of public record, shall file with the secretary  
8 of state on a form prescribed by the secretary of state a verified financial  
9 disclosure statement covering the preceding calendar year ~~ending December 31~~.  
10 The statement shall disclose:

11 1. The name and address of the public officer and each member of his  
12 household and all names and addresses under which each does business.

13 2. The name and address of each employer and of each other source of  
14 compensation other than gifts amounting to more than one thousand dollars  
15 received during the preceding calendar year by the public officer and members  
16 of his household in their own names, or by any other person for the use or  
17 benefit of the public officer or members of his household, a description of  
18 the services for which the compensation was received and the nature of the  
19 employer's business. This paragraph shall not be construed to require the  
20 disclosure of individual items of compensation that constituted a portion of  
21 the gross income of the business from which the public officer or members of  
22 his household derived compensation.

23 3. For a controlled business, a description of the goods or services  
24 provided by the business, and if any single source of compensation to the  
25 business during the preceding calendar year amounts to more than ten thousand  
26 dollars and is more than twenty-five per cent of the gross income of the  
27 business, the disclosure shall also include a description of the goods or  
28 services provided to the source of compensation. For a dependent business  
29 the statement shall disclose a description of the goods or services provided  
30 by the business and a description of the goods or services provided to the  
31 source of compensation from which the dependent business derived the amount  
32 of gross income described in section 38-541, paragraph 4. If the source of  
33 compensation for a controlled or dependent business is a business, the  
34 statement shall disclose a description of the business activities engaged in  
35 by the source of compensation.

36 4. The names and addresses of all businesses and trusts in which the  
37 public officer or members of his household, or any other person for the use  
38 or benefit of the public officer or members of his household, had an  
39 ownership or beneficial interest of over one thousand dollars at any time  
40 during the preceding calendar year, and the names and addresses of all  
41 businesses and trusts in which the public officer or any member of his  
42 household held any office or had a fiduciary relationship at any time during  
43 the preceding calendar year, together with the amount or value of the  
44 interest and a description of the interest, office or relationship.

1           5. All Arizona real property interests and real property improvements,  
2 including specific location and approximate size, in which the public  
3 officer, any member of his household or a controlled or dependent business  
4 held legal title or a beneficial interest at any time during the preceding  
5 calendar year, and the value of any such interest, except that this paragraph  
6 does not apply to a real property interest and improvements thereon used as  
7 the primary personal residence or for the personal recreational use of the  
8 public officer. If a public officer, any member of his household or a  
9 controlled or dependent business acquired or divested any such interest  
10 during the preceding calendar year, he shall also disclose that the  
11 transaction was made and the date it occurred. If the controlled or  
12 dependent business is in the business of dealing in real property interests  
13 or improvements, disclosure need not include individual parcels or  
14 transactions as long as the aggregate value of all parcels of such property  
15 is reported.

16           6. The names and addresses of all creditors to whom the public officer  
17 or members of his household, in their own names or in the name of any other  
18 person, owed a debt of more than one thousand dollars or to whom a controlled  
19 business or a dependent business owed a debt of more than ten thousand  
20 dollars which was also more than thirty per cent of the total business  
21 indebtedness at any time during the preceding calendar year, listing each  
22 such creditor. This paragraph shall not be construed to require the  
23 disclosure of debts owed by the public officer or any member of his household  
24 resulting from the ordinary conduct of a business other than a controlled or  
25 dependent business— nor shall disclosure be required of credit card  
26 transactions, retail installment contracts, debts on residences or  
27 recreational property exempt from disclosure under paragraph 5 of this  
28 subsection, debts on motor vehicles not used for commercial purposes, debts  
29 secured by cash values on life insurance or debts owed to relatives. It is  
30 sufficient disclosure of a creditor if the name and address of a person to  
31 whom payments are made is disclosed. If the public officer, any member of  
32 his household or a controlled or dependent business incurred or discharged a  
33 debt which is reportable under this subsection during the preceding calendar  
34 year, the report shall disclose that the transaction was made and the date it  
35 occurred.

36           7. The identification and amount of each debt exceeding one thousand  
37 dollars owed at any time during the preceding calendar year to the public  
38 officer and members of his household in their own names, or to any other  
39 person for the use or benefit of the public officer or any member of his  
40 household. The disclosure shall include the identification and amount of  
41 each debt exceeding ten thousand dollars to a controlled business or  
42 dependent business which was also more than thirty per cent of the total  
43 indebtedness to the business at any time during the preceding calendar  
44 year. This paragraph shall not be construed to require the disclosure of  
45 debts from the ordinary conduct of a business other than a controlled or

1 dependent business. If the public officer, any member of his household or a  
2 controlled or dependent business incurred or discharged a debt which is  
3 reportable under this subsection during the preceding year, the report shall  
4 disclose that the transaction was made and the date it occurred.

5 8. The name of each source of any gift, or accumulated gifts from a  
6 single source, of more than five hundred dollars received by the public  
7 officer and members of his household in their own names during the preceding  
8 calendar year, or by any other person for the use or benefit of the public  
9 officer or any member of his household except gifts received by will or by  
10 virtue of intestate succession, or received by way of distribution from any  
11 inter vivos or testamentary trust established by a spouse or by an ancestor,  
12 or gifts received from any other member of the household or relatives to the  
13 second degree of consanguinity. Political campaign contributions shall not  
14 be construed as gifts if otherwise publicly reported as political campaign  
15 contributions as required by law.

16 9. A list of all business licenses issued to, held by or in which the  
17 public officer or any member of his household had an interest at any time  
18 during the preceding calendar year, including the name in which the license  
19 was issued, the type of business and its location.

20 10. A list of all bonds, together with their value, issued by this  
21 state or any political subdivision of this state AND held at any time during  
22 the preceding calendar year by the public officer or any member of his  
23 household, which bonds issued by a single entity had a value in excess of one  
24 thousand dollars. If the public officer or any member of his household  
25 acquired or divested any bonds during the preceding calendar year which are  
26 reportable under this paragraph, the fact that the transaction occurred and  
27 the date shall also be shown.

28 B. If an amount or value is required to be reported pursuant to this  
29 section, it is sufficient to report whether the amount or value of the equity  
30 interest falls within:

31 1. Category 1, one thousand dollars to twenty-five thousand dollars.  
32 2. Category 2, more than twenty-five thousand dollars to one hundred  
33 thousand dollars.

34 3. Category 3, more than one hundred thousand dollars.

35 C. This section does not require the disclosure of any information  
36 that is privileged by law.

37 D. The statement required to be filed pursuant to subsection A OF THIS  
38 SECTION shall be filed by all persons who qualified as public officers at any  
39 time during the preceding calendar year on or before January 31 of each year  
40 with the exceptions that a public officer appointed to fill a vacancy shall,  
41 within sixty days following his taking of such office, file a financial  
42 disclosure statement covering as his annual period the twelve month period  
43 ending with the last full month prior to the date of his taking office.

1           E. THE SECRETARY OF STATE SHALL PUBLISH ON THE SECRETARY OF STATE'S  
2 OFFICIAL WEBSITE THE STATEMENT REQUIRED TO BE FILED PURSUANT TO SUBSECTION A  
3 OF THIS SECTION FOR EVERY MEMBER OF THE LEGISLATURE.

4           ~~E.~~ F. The secretary of state shall prepare written guidelines, forms  
5 and samples for completing the financial disclosure statement required by  
6 this section. A copy of the guidelines, forms and samples shall be  
7 distributed to each public officer and shall be made available to each  
8 candidate required to file a financial disclosure statement pursuant to  
9 section 38-543.